

exchange. The creation of uniform monetary systems and wide areas of trade under a single political sovereignty made his profession less important ; but it was principally the organization of credit, permitting exchanges without metallic money, which reduced the money-changer to an essentially subordinate place<sup>1</sup> and gave birth to modern banking. The bill of exchange was one of the earliest forms of credit, and its use was extended beyond its present purposes in order to meet the necessities of the Middle Ages. To the Jews were ascribed the invention and perfection of the bill of exchange, as a means of evading the confiscation of their property by its prompt and secret transfer.

Two circumstances contributed to throw into the hands of the Jews the trade in money in the Middle Ages. One was the fact that they were shut out from all other trades ; the other was the attitude of the church towards loans at interest. The acquisition of real property was prohibited to the Jews in nearly every European state. The guilds were closed to them and they were forbidden to exercise trades and manufactures.<sup>2</sup> The exclusion from real property was not a hardship, if they were to be subject to constant confiscations, since money and its paper representatives were almost the only forms of property which could be readily transported and concealed. "The richest traders," says Montesquieu, "having only invisible goods, they were able to be sent everywhere and left no trace behind."<sup>3</sup>

The denial of the legitimacy of interest was a natural evolution from conditions of the time. The rigors of the church were directed primarily against loans for consumption to persons in need. When saved capital was the exception, and opportunities for organized industry were rare, loans for productive purposes were the exception.<sup>4</sup> When

goldsmiths assumed the functions of the money-changers, as the latter lost their importance, and in 1514 the changers disappeared from the list of the six merchant bodies. — Cons, I., 196. <sup>2</sup>Nys, 136.

<sup>3</sup> *De l'Esprit des Lois*, livre XXI., ch. xx.

<sup>4</sup> Prof. Jannet points out that the prejudice against loans at interest